

Accounting-Financial

Subject: Tax Refunds - Gasoline Purchases

Information:

Governmental public transportation providers are exempt from paying federal excise tax, state gas tax and state sales taxes on gasoline purchases. In the event these taxes have been paid on gasoline purchases, a refund should be obtained.

- 1. Federal excise tax** - 18.4 cents per gallon of federal tax is eligible for reimbursement (eligibility can go back three years). Complete IRS claim form 8849.
- 2. State gas tax** - 19 cents per gallon of state tax is eligible for reimbursement (eligibility can go back one year only). Contact Michigan Department of Treasury @ (517)373-3180 for more information.
- 3. Sales tax** - for purchases in which sales tax was paid to a private vendor, the tax can only be obtained from that specific private vendor. The governmental public transportation provider will need to request that the sales tax be refunded by that vendor. (The vendor can file a form with the Michigan Department of Treasury for refund of sales tax.)
- 4. Sales tax** - for purchases in which sales tax was paid directly to the Michigan Department of Treasury, write the Michigan Department of Treasury, Sales Tax Division, with sales receipts and proof of payment, requesting a sales tax refund (eligibility can go back four years in time).

Actions Needed:

- A. Apply for gasoline tax refund as described above.
- B. Deduct gasoline tax refund from eligible costs when reporting for reimbursement of expenses.

Contact: If you have any questions on this procedure, contact your PTD Project Manager.

	Signed By: Kim Johnson	11/06/2002
Approved:	_____	_____
	Acting Division Administrator	Date
D:PAS:PU:KS		